

November 2002
**ECONOMIC AND
REVENUE
FORECAST**

FISCAL YEAR 2003
2ND QUARTER



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

Cover photo: Irrigated vineyards have potential to become an increasingly important source of revenue from state-owned lands managed by the Washington State Department of Natural Resources

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November 2002

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Accurate reproduction of information in this forecast is welcomed.
Acknowledgment of the source would be appreciated.

ACKNOWLEDGMENTS

The quarterly revenue forecast is a collaborative effort. It is the product of information provided by private individuals and organizations, and DNR staff. Without their contributions this forecast could not be completed.

An absolutely critical component of this forecasting work are the purchasers of DNR timber. These busy individuals and companies willingly provide information that is essential to the process of estimating harvest volumes.

Many DNR staff also contribute to the forecast. Those persons who provide data or forecasts of revenue flows for their areas of responsibility make an especially significant contribution, and I especially thank Paul Penhallegon in this regard. Also, other DNR staff have provided valuable and constructive feedback on drafts of this forecast report, including Phil Aust, Dave Larsen, Peggy Murphy, Quynh Nguyen, Jim Smego, and Angie Wirkkala.

I am grateful to Karath Frederickson, Judy Holman, and Billie-Lynn Wyckoff for help and initiative in conducting the purchaser survey efficiently and effectively. Credit for re-formatting the forecast document also goes to Billie-Lynn.

Bruce P. Glass
December 2, 2002

MAJOR POINTS OF THE NOVEMBER 2002 FORECAST

■ US Macroeconomic Conditions & Trends

- The US economy is struggling to shrug off the recent recessionary downturn, and deflationary risks to the economy are increasing.
- In response to sluggish economic conditions, the Federal Reserve Bank (FRB) reduced its target for the rate at which banks borrow money from each other (the federal funds rate) by 0.5% on November 6, 2002. This rate has now been reduced by a total of 5.25% since December 2000, and at 1.25% stands close to a 40-year low.
- The recent FRB interest rate cut is unlikely to release pent-up demand (that usually emerges at this stage of the business cycle) for big ticket items such as cars and housing, since demand for these items remained high through the recessionary downturn.
- Consumer confidence remains relatively low, particularly in the face of uncertainty generated by relatively high rates of unemployment, recent corporate governance scandals, and the prospect of a war with Iraq.
- Business confidence is also relatively low, amid signs that corporate cost cutting continues, and that low operating rates (implying unutilized capacity) are constraining investment expenditures.
- The US dollar has begun to depreciate on a trade-weighted basis, and may yet provide a mild--and necessary--inflationary boost for the economy.

- The November 2002 Blue Chip consensus estimate of real gross domestic product (GDP) growth for calendar year (CY) 2002 has declined to 2.3% from 2.8% in May through July of 2002. Likewise, the November 2002 consensus estimate of real GDP growth for 2003 has declined to 2.8% from 3.0% in June and July of 2002.

■ Japanese Macroeconomic Conditions & Trends

- Japan continues to experience severe deflationary pressures. Domestic industrial capacity is relocating overseas, especially to The Peoples' Republic of China (PRC). This process is termed 'hollowing out'.
- Industrial and financial restructuring in the wake of the Asian financial crisis remains weak and ineffectual.
- After -0.3% real GDP growth in 2001, the November 2002 Blue Chip consensus anticipates growth in 2002 will also be negative (-0.7%), before weak expansionary growth resumes in 2003 (0.9%).

■ Implications of Macroeconomic Conditions for Forecast

- US housing starts are estimated at about 1.65 million/year for CY 2002, and are forecast to remain at relatively high levels through 2007 (seasonally adjusted rates). Some forecasts call for housing starts to reach as high as 1.7 million/year by 2004. This forecast is based on housing starts in the 1.60 to 1.70 million/year range. Housing starts are not expected to be dramatically responsive to economic recovery: the relatively buoyant housing sector in the recent recession means that pent-up housing demand likely will be minimal as the economy recovers.

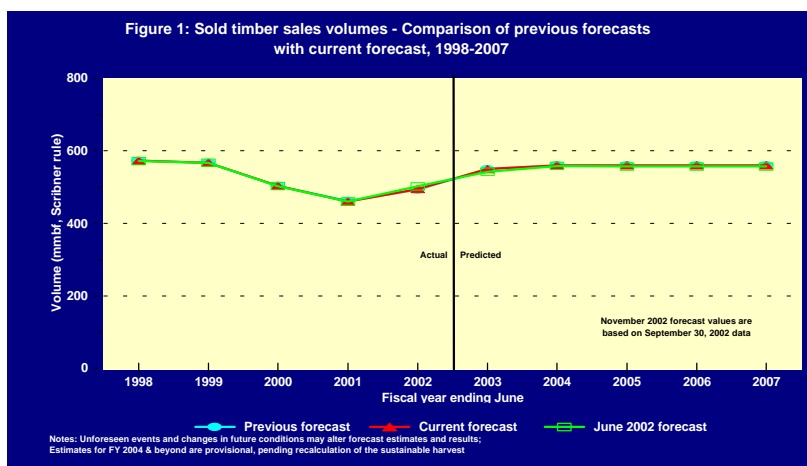
- US repair and remodelling expenditures are also expected to remain at relatively high levels compared with prior years.
- Japanese housing starts are expected to decline from about 1.18 million/year in CY 2002 (seasonally adjusted to about 1.10 million per year.
- The hollowing out of Japan's domestic industrial base is likely to lead to long-term changes in trade flows for raw materials and finished products, as in manufacturing capacity for wood products and their substitutes move overseas. In particular, the importance of the PRC as both a market and regional processing center is expected to increase.

■ **Sold Timber Sale Volumes:** Compared with the September 2002 forecast, sold target timber sale volumes are unchanged (Figure 1, Table 1).

- Sold timber volume for FY 02 was 495 mmbf, compared with an original target of 480 mmbf.
- Sold timber volume for FY 03 to the end of September 2002 was 1.4 mmbf, because the department withheld sales until October 2002 in the face of litigation challenging certain aspects of the timber sales process.

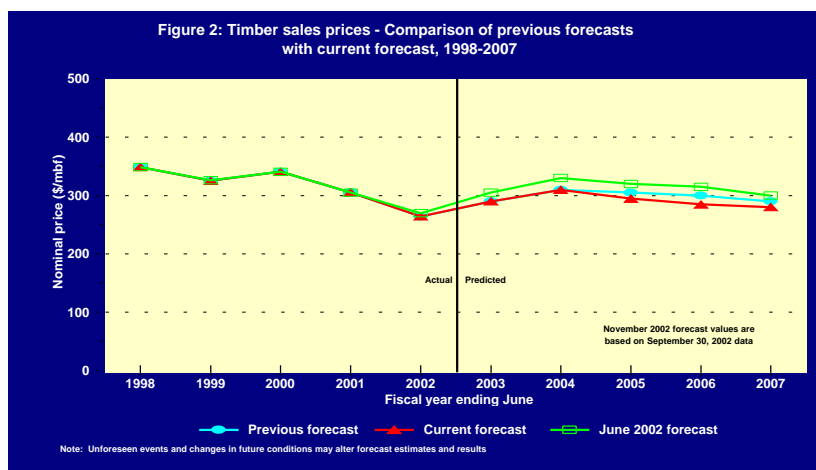
(October and November 2002 sales, including sales held over from the first quarter of FY 03, totaled some 68 mmbf and 53 mmbf respectively.) This litigation has not changed the department's 550 mmbf sale target for FY 03 in this forecast.

- Sold timber sales target volumes for FY 04 and subsequent years are provisional pending recalculation of the sustainable harvest. The Board of Natural Resources will likely consider adoption of the recalculated sustainable harvest during (calendar year) 2003.



■ **Timber Sale Prices:** Compared with the September 2002 forecast, estimated timber prices are unchanged for FY 03 & 04, but revised down by between \$10/mbf and \$15/mbf over the FY 05-07 forecast period (Figure 2, Table 1).

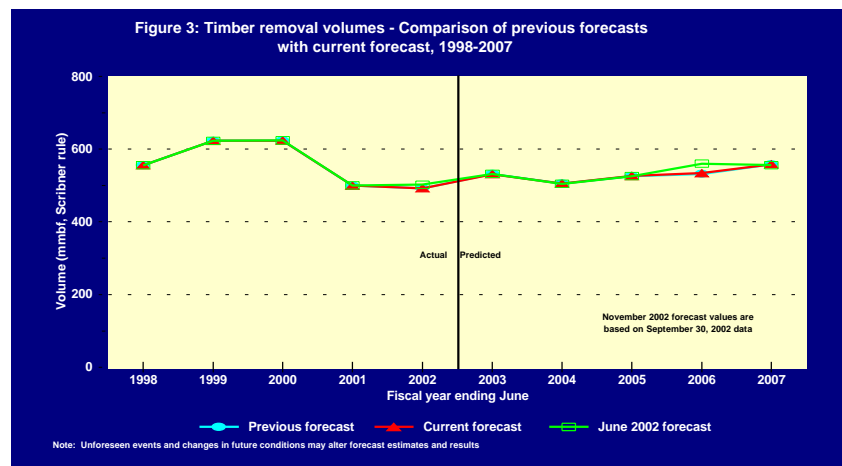
- Softwood lumber prices have been declining from \$339/mbf in March 2002 to \$279/mbf in September 2002 (Random Lengths framing lumber composite price index).
- Near-term outlook for timber sales prices: Seasonal changes aside, look for flat to only slightly increasing stumpages.
- Long-term outlook for timber sales prices: At best, real (i.e., inflation-adjusted) softwood stumpages are likely to remain constant over the forecast period, implying no erosion of the purchasing power of timber revenues due to inflation (and assuming timber harvest volume remains unchanged). A more likely scenario is that real stumpages will decline, reducing the purchasing power of timber revenues for both beneficiaries and the department.
- Factors contributing to the reduction in forecast timber sales prices include: (1) Softwood log imports from Canada into the western USA--these have increased sharply over the last 1 to 2 years (Refer to the Appendix in the June 2001 forecast and the September 2001 forecast for more details), and are tending to dilute purchaser interest in



sales offered by the department, thereby depressing prices; (2) Increasing softwood lumber imports, especially from plantation sources; (3) Increasing competition in export markets--particularly in Japan--for both softwood logs and lumber increasing the supply of these products in the domestic market, and (4) Increasing substitution of both wood and non-wood products for solid wood products, especially in engineering end use applications.

■ **Timber Removal Volumes:** Compared with the September 2002 forecast, estimated timber removal volumes remain virtually unchanged for the entire FY 03-07 forecast period (Figure 3, Table 1).

- The results of the purchaser survey reflect, among other factors, anticipated lumber and end-use market conditions, availability of uncut inventory under contract, and processing profitability. Since the department offered very little sales volume in the September 2002 quarter, the purchaser survey showed very clearly, and without the confounding effects of new sales, that purchasers have increased their near-term estimates of intended harvest, both by shifting unharvested volume previously intended for harvest from the previous June 2002 quarter to later quarters, and also by bringing forward harvest originally intended in the latter quarters covered by the purchaser survey.
- The decline in estimated removals for FY 04 reflects a temporary flattening off of housing starts for that year at about 1.65 million units.
- The upward trend in removals for FY 05-07 assumes the department will meet its sold timber volume targets for those (and prior) years.

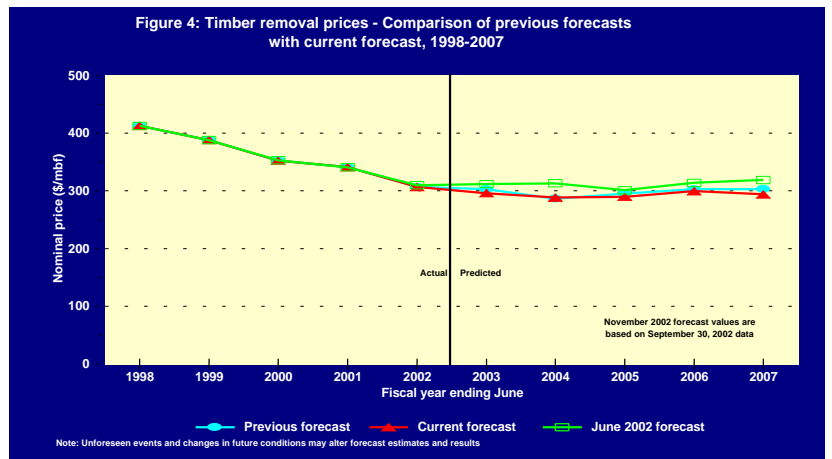


■ **Uncut Timber Inventory Under Contract:** Compared with the September 2002 forecast, uncut timber under contract at the end of FY 07 is some 5 mmbf higher in volume terms, but about \$6 million lower in value terms.

- At the end of FY 07 uncut inventory under contract is estimated to be some 867 mmbf, worth \$241 million (average of \$278/mbf), compared with 572 mmbf, worth \$161 million (average of \$281/mbf) at the end of the September 2002 quarter (Table 1).

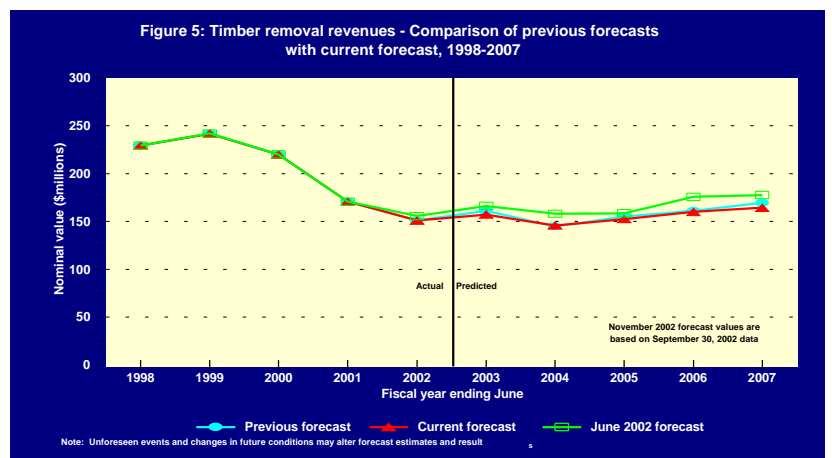
■ **Timber Removal Prices:** Compared with the November 2001 forecast, timber removal prices are forecast to decline by \$7/mbf in FY 03, increase by \$2/mbf in FY 04, and decline by between \$3/mbf and \$9/mbf over the FY 05-07 period (Figure 4, Table 1).

- Changes in timber removal price estimates for FY 03 & 04 reflect changes in sales worked by purchasers.
- Reduced timber removal price estimates for FY 05 through FY 07 result from reduced timber sales price forecasts.



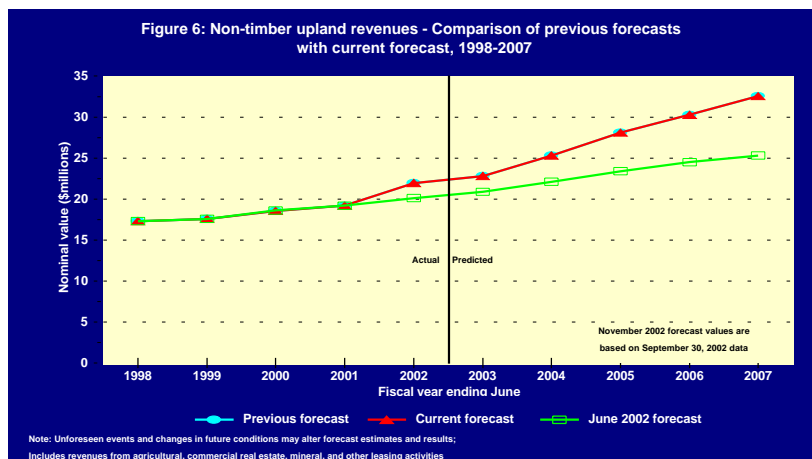
■ **Timber Removal Revenues:** Compared with the September 2002 forecast, timber removal revenues are forecast to decline 2.5% (\$4.0 million) in FY 03, increase 0.6% (\$0.9 million) in FY 04, and then decrease by between 0.6% and 3.3% (\$1.0 to \$5.1 million) over the FY 05-07 period (Figure 5, Tables 1 & 2).

- Changes in timber removal revenues reflect changes in timber removal prices, since estimates of timber removal volumes are virtually unchanged compared with the previous forecast.



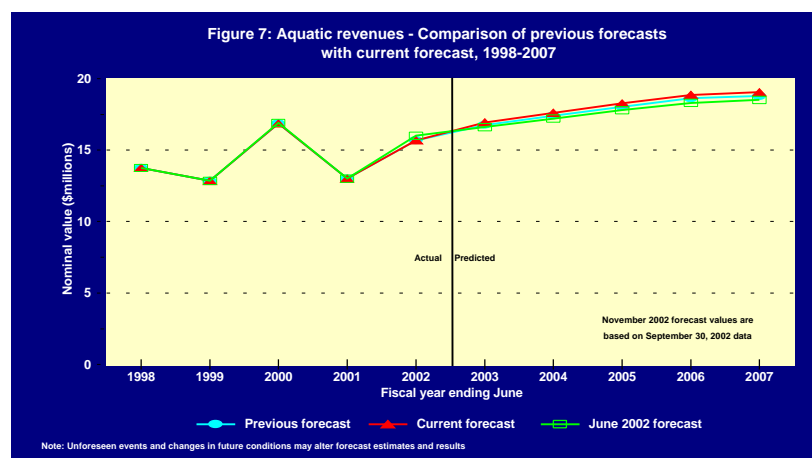
■ **Non-timber Upland Revenues:** Compared with the September 2002 forecast, estimates of non-timber upland revenues are unchanged from levels previously estimated (Figure 6, Table 2).

- Apple prices are likely to increase in the wake of cold fall weather in eastern Washington, and cold spring weather in Michigan and New York states. However, whether anticipated price increases result in increased revenues (by more than offsetting the impacts of reduced yields) remains to be seen.



■ **Aquatic Revenues:** Compared with the September 2002 forecast, aquatic revenues are about 1.2% to 1.4% (\$0.2 million to \$0.3 million) higher than previous estimates (Figure 7, Table 2).

- Changes in estimated revenues reflect effects of including additional data in re-estimating underlying forecast models.
- Forecast aquatic revenues continue to assume future revenues will follow trends exhibited by past revenue receipts, and do not explicitly take into account factors with potentially major revenue impacts (e.g., revisions to geoduck harvest levels, and biological factors such as green crab infestation and paralytic shellfish poisoning).

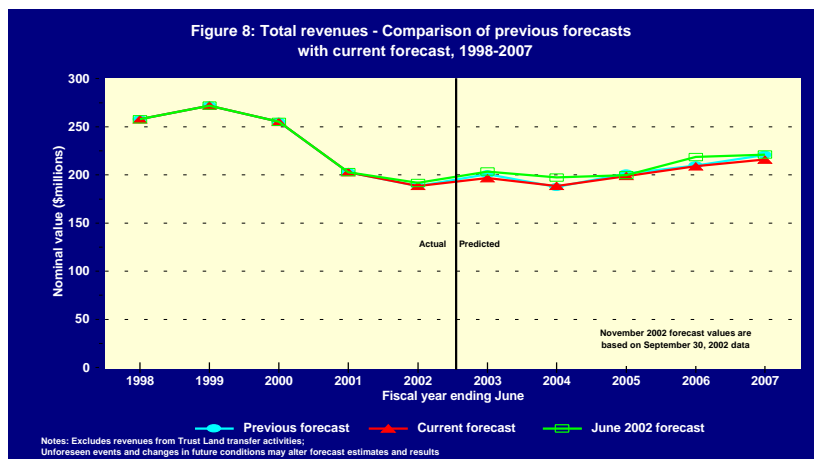


■ **Total Revenues:** Compared with the September 2002 forecast, total revenues are forecast to be \$3.8 million lower in FY 03, about \$1.1 million higher in FY 04, and between \$0.8 million and \$4.8 million lower over the FY 05-07 period (Figure 8, Table 2). These changes in total revenues directly reflect changes in forecast timber removal revenues (for reasons noted on the preceding page).

- Excluding Trust Land Transfers, total revenues are forecast to increase to nearly \$197 million in FY 03 from \$188.6 million in FY 02 (provisional). Total revenues are then forecast to decrease to about \$189 million in FY 04, before rising through FY 05 and FY 06 to reach about \$216 million in FY 07.
- Beneficiary and management revenues follow the same trend as total revenues (Tables A2 and A3).
- Revenues to trust beneficiaries from the resource transfer component of Trust Land Transfers are reported but not estimated in the forecast. They are estimated to reach about \$40.0 million over FY 02 and FY 03, i.e., \$12.9 million in FY 02 and \$27.1 million in FY 03 (Footnote 1, Table A2).

■ **Some Uncertainty Caveats:**

- Impacts associated with recalculation of the sustainable timber harvest for DNR-managed trust lands are not included in this forecast; target sold timber sale volumes likely will change as a result of this recalculation, from FY 04 onward.



- Operational changes being undertaken in the department's timber sales programs will be factored into the forecast as appropriate, over time. These changes include streamlining the timber sales process, and the prospective quality of the timber sales product mix.
- Operational changes being undertaken in the department's nontimber product sales and leasing programs are also expected to influence revenue returns from land management activities. These changes are factored into this forecast (e.g., increasing emphasis on commercial real estate leases).
- Market impacts of changes in timber supply from outside the Pacific Northwest region are expected to contribute to increasingly competitive domestic and foreign lumber and sawtimber markets, e.g, foreign log and lumber supplies, sales.

- Changing consumer preferences for timber in Japan may reduce demand for North American softwood lumber (i.e., the switch toward kiln-dried lumber in response to house construction performance standards and guarantees).
- Timing of an upturn in economic conditions, especially in the US economy.
- Prospective budgetary challenges arising out of the 2003 legislative session, and their possible impacts upon the department's trust land management programs.

Table 1: Projected trust land timber sales, removals and revenues

Fiscal year		Actual 2001	Preliminary 2002	Actual FY 2003 to 9/30/2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Sold timber sales	Volume (mmbf)	460	495	1	550	560	560	560	560
	Price (\$/mbf)	\$305	\$264	\$208	\$290	\$310	\$295	\$285	\$280
Uncut inventory under contract	Volume (mmbf)	737	731	572	750	805	839	865	867
	Value (\$millions)	\$227.9	\$205.7	\$160.7	\$208.2	\$236.1	\$248.8	\$248.5	\$241.0
Timber removals	Volume (mmbf)	500	492	154	531	505	526	534	558
	Price (\$/mbf)	\$341	\$307	\$283	\$296	\$288	\$290	\$300	\$294
Timber removal revenue (\$millions)		\$170.6	\$150.9	\$43.4	\$157.0	\$145.7	\$152.5	\$159.9	\$164.3

Note: Totals may not add due to rounding

Note: Year-to-date sold timber sales are lower than expected due to litigation prompting withdrawal of sales for the quarter. This litigation has not changed the department's 550 mmbf sale target for FY 03 in this forecast.

Change from previous forecast

Fiscal year		2001	Preliminary 2002	Change since last quarter	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Sold timber sales	Volume (mmbf)	(2)	2	1	0	0	0	0	0
	Price (\$/mbf)	(\$0)	\$0	(\$56)	\$0	\$0	(\$10)	(\$15)	(\$10)
Uncut inventory under contract	Volume (mmbf)	(2)	6	(153)	7	7	7	5	5
	Value (\$millions)	(\$0.7)	\$1.1	(\$43.9)	\$5.2	\$4.2	\$1.5	(\$5.9)	(\$6.4)
Timber removals	Volume (mmbf)	0	(0)	154	(1)	(0)	0	2	(0)
	Price (\$/mbf)	\$0	\$0	(\$24)	(\$7)	\$2	(\$6)	(\$3)	(\$9)
Timber removal revenue (\$millions)		\$0.0	\$0.0	\$43.4	(\$4.0)	\$0.9	(\$2.9)	(\$1.0)	(\$5.1)

Note: Totals may not add due to rounding

Table 2: Projected trust land revenue by source (\$millions)

Fiscal year	Actual 2001	Preliminary 2002	Actual FY 2003 to 9/30/2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Timber removal revenue	\$170.6	\$150.9	\$43.4	\$157.0	\$145.7	\$152.5	\$159.9	\$164.3
Agricultural and mineral revenue	\$13.5	\$14.4	\$2.6	\$14.8	\$15.8	\$17.1	\$17.8	\$18.6
Commercial real estate revenue	\$5.7	\$7.5	\$2.1	\$8.0	\$9.5	\$11.0	\$12.5	\$14.0
Aquatic revenue	\$13.0	\$15.7	\$4.9	\$16.9	\$17.6	\$18.3	\$18.9	\$19.0
Trust land transfer (resource value)	\$31.9	\$12.9	\$8.2	\$27.1	\$0.0	\$0.0	\$0.0	\$0.0
Total revenue, excluding trust land transfer	\$202.8	\$188.1	\$53.3	\$196.8	\$188.6	\$198.8	\$209.1	\$215.9

Note: Totals may not add due to rounding

Change from previous forecast

Fiscal year	Actual 2001	Preliminary 2002	Change since last quarter	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Timber removal revenue	\$0.0	\$0.0	\$43.4	(\$4.0)	\$0.9	(\$2.9)	(\$1.0)	(\$5.1)
Agricultural and mineral revenue	\$0.0	\$0.0	\$2.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commercial real estate revenue	\$0.0	\$0.0	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Aquatic revenue	\$0.0	\$0.0	\$4.9	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3
Trust land transfer (resource value)	\$0.0	\$4.3	\$8.2	(\$4.3)	\$0.0	\$0.0	\$0.0	\$0.0
Total revenue, excluding trust land transfer	\$0.0	(\$0.3)	\$53.3	(\$3.8)	\$1.1	(\$2.6)	(\$0.8)	(\$4.8)

Note: Totals may not add due to rounding

Table A2: Projected trust revenues by fund and fiscal year, November 2002 forecast, 2000-2007 (\$millions)

Fiscal year	2000	2001	Preliminary 2002	Actual FY 2003 to 09/30/02	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
MANAGEMENT ACCOUNTS									
041 RMCA - UPLAND	\$30.9	\$24.9	\$22.2	\$5.8	\$23.0	\$22.4	\$26.3	\$26.8	\$28.9
041 RMCA - AQUATIC	\$7.2	\$5.4	\$6.4	\$2.1	\$7.1	\$7.4	\$7.6	\$7.9	\$8.0
014 FDA	\$26.4	\$20.5	\$19.8	\$5.7	\$20.2	\$18.8	\$16.9	\$18.9	\$18.3
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	\$64.4	\$50.7	\$48.4	\$13.6	\$50.3	\$48.6	\$50.9	\$53.6	\$55.2
CURRENT FUNDS									
113 COMMON SCHOOL CONSTRUCTION	\$66.0	\$52.2	\$44.1	\$11.7	\$47.4	\$48.9	\$59.6	\$59.5	\$65.0
999 FOREST BOARD COUNTIES	\$81.0	\$64.0	\$58.5	\$17.8	\$60.6	\$55.1	\$51.9	\$57.8	\$56.0
001 GENERAL FUND	\$5.2	\$3.8	\$4.3	\$0.9	\$3.7	\$4.1	\$2.6	\$2.8	\$2.8
348 UNIVERSITY BOND RETIREMENT	\$0.3	\$1.1	\$0.5	\$0.5	\$1.3	\$1.0	\$1.6	\$1.5	\$1.6
347 WSU BOND REPAYMENT	\$0.5	\$0.7	\$0.8	\$0.1	\$0.9	\$0.9	\$1.0	\$1.0	\$1.1
042 CEP&RI	\$5.1	\$3.8	\$3.9	\$1.6	\$5.1	\$5.4	\$3.5	\$3.7	\$4.0
036 CAPITOL BUILDING CONSTRUCTION	\$8.2	\$6.5	\$7.6	\$2.1	\$6.4	\$5.2	\$5.4	\$6.4	\$6.1
061/3/5/6 NORMAL (CWU, EWU, WWU, TESC) SCHOOL	\$0.1	\$0.1	\$0.1	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
OTHER FUNDS	\$0.0	\$0.1	\$0.2	\$0.0	\$0.1	\$0.1	\$0.4	\$0.3	\$0.4
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	\$166.4	\$132.3	\$120.0	\$34.8	\$125.6	\$120.8	\$125.9	\$133.0	\$137.2
AQUATIC LANDS ENHANCEMENT ACCOUNT									
02R AQUATIC LANDS	\$9.7	\$7.6	\$9.3	\$2.8	\$9.9	\$10.2	\$10.6	\$11.0	\$11.1
PERMANENT FUNDS									
601 AGRICULTURAL COLLEGE	\$2.6	\$1.8	\$1.1	\$0.8	\$2.9	\$2.9	\$3.3	\$2.9	\$3.5
604 NORMAL SCHOOL PERMANENT	\$5.5	\$4.3	\$4.0	\$0.6	\$2.6	\$2.5	\$2.5	\$2.6	\$2.8
605 COMMON SCHOOL PERMANENT	\$1.0	\$0.8	\$0.9	\$0.1	\$0.7	\$0.9	\$1.1	\$1.2	\$1.2
606 SCIENTIFIC PERMANENT	\$4.7	\$4.7	\$4.3	\$0.5	\$4.2	\$2.5	\$4.0	\$4.3	\$4.3
607 UNIVERSITY PERMANENT	\$1.0	\$0.6	\$0.7	\$0.2	\$0.6	\$0.2	\$0.5	\$0.4	\$0.6
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	\$14.7	\$12.2	\$10.9	\$2.2	\$11.0	\$9.0	\$11.4	\$11.4	\$12.4
TOTAL TO TRUST BENEFICIARY FUNDS	\$190.8	\$152.1	\$140.2	\$39.7	\$146.5	\$140.0	\$148.0	\$155.5	\$160.7
TOTAL ALL FUNDS	\$255.3	\$202.8	\$188.6	\$53.3	\$196.8	\$188.6	\$198.8	\$209.1	\$215.9

Notes:

- 1 - Excludes interest and trust land transfer monies, and includes operating transfers. Trust Land Transfer monies amounted to \$37.3 million in FY 1994-95, \$21.8 million in FY 1998-99, \$56.06 million in FY 2000-01, and \$40.0 million (estimate) in FY 2002-03, payable to the Common School Construction Fund.
- 2 - Upland RMCA does not include land bank transactions.
- 3 - Revenues reflect cash earnings from management activities only. Revenues from interest payments, fires assessments, permits, fees, etc. are not included.
- 4 - Totals may not add due to rounding.
- 5 - Projected values are forecast estimates, and should be interpreted in conjunction with the accompanying forecast document. Unforeseen events and changes in future conditions may alter forecast estimates and results.
- 6 - Data for all years are cash estimates, and not directly comparable with accrual figures presented in DNR Annual Reports.

Table A3: Change from September 2002 to November 2002 forecast-Projected trust revenues by fund and fiscal year, 2000-2007 (\$millions)

Fiscal year	2000	2001	Preliminary 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
MANAGEMENT ACCOUNTS								
041 RMCA - UPLAND	\$0.0	(\$0.0)	(\$0.0)	(\$0.7)	\$0.4	\$0.2	\$0.1	(\$0.3)
041 RMCA - AQUATIC	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
014 FDA	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.0)	(\$0.8)	(\$0.1)	(\$0.7)
	-----	-----	-----	-----	-----	-----	-----	-----
	\$0.0	\$0.0	\$0.0	(\$0.8)	\$0.5	(\$0.5)	\$0.1	(\$0.9)
CURRENT FUNDS								
113 COMMON SCHOOL CONSTRUCTION	\$0.0	(\$0.0)	(\$0.0)	(\$1.3)	\$0.3	\$0.6	(\$0.2)	(\$1.0)
999 FOREST BOARD COUNTIES	\$0.0	\$0.0	\$0.0	(\$0.9)	(\$1.3)	(\$2.7)	(\$1.7)	(\$3.1)
001 GENERAL FUND	\$0.0	\$0.0	\$0.0	\$0.2	\$0.3	(\$0.3)	\$0.3	\$0.1
348 UNIVERSITY BOND RETIREMENT	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.1	\$0.1	\$0.2	\$0.1
347 WSU BOND REPAYMENT	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)
042 CEP&RI	\$0.0	\$0.0	\$0.0	(\$0.2)	\$0.2	(\$0.5)	(\$0.4)	(\$0.2)
036 CAPITOL BUILDING CONSTRUCTION	\$0.0	\$0.0	\$0.0	(\$0.3)	\$0.3	\$0.0	\$0.3	(\$0.1)
061/3/5/6 NORMAL (CWU, EWU, WWU, TESC) SCHOOL	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
OTHER FUNDS	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.1	\$0.1	\$0.1
	-----	-----	-----	-----	-----	-----	-----	-----
	\$0.0	(\$0.0)	(\$0.0)	(\$2.6)	(\$0.1)	(\$2.7)	(\$1.4)	(\$4.2)
AQUATIC LANDS ENHANCEMENT ACCOUNT								
02R AQUATIC LANDS	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
PERMANENT FUNDS								
601 AGRICULTURAL COLLEGE	\$0.0	(\$0.0)	(\$0.0)	(\$0.3)	\$0.2	\$0.0	(\$0.1)	(\$0.0)
604 NORMAL SCHOOL PERMANENT	\$0.0	\$0.0	(\$0.0)	(\$0.0)	\$0.1	(\$0.1)	\$0.1	(\$0.0)
605 COMMON SCHOOL PERMANENT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
606 SCIENTIFIC PERMANENT	\$0.0	(\$0.0)	(\$0.0)	(\$0.3)	\$0.3	\$0.4	\$0.3	\$0.2
607 UNIVERSITY PERMANENT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1
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	\$0.0	\$0.0	\$0.0	(\$0.6)	\$0.6	\$0.4	\$0.4	\$0.2
TOTAL TO TRUST BENEFICIARY FUNDS	\$0.0	(\$0.0)	\$0.0	(\$3.0)	\$0.6	(\$2.1)	(\$0.9)	(\$3.9)
TOTAL ALL FUNDS	\$0.0	(\$0.0)	\$0.0	(\$3.8)	\$1.1	(\$2.6)	(\$0.8)	(\$4.8)

Notes:

- 1 - Excludes interest and trust land transfer monies, and includes operating transfers. Trust Land Transfer monies amounted to \$37.3 million in FY 1994-95, \$21.8 million in FY 1998-99, \$56.06 million in FY 2000-01, and \$40.0 million (estimate) in FY 2002-03, payable to the Common School Construction Fund.
- 2 - Upland RMCA does not include land bank transactions.
- 3 - Revenues reflect cash earnings from management activities only. Revenues from interest payments, fires assessments, permits, fees, etc. are not included.
- 4 - Totals may not add due to rounding.
- 5 - Projected values are forecast estimates, and should be interpreted in conjunction with the accompanying forecast document. Unforeseen events and changes in future conditions may alter forecast estimates and results.
- 6 - Data for all years are cash estimates, and not directly comparable with accrual figures presented in DNR Annual Reports.